



IT SYMPOSIUM

US–Serbia "IT Summit"

San Francisco, October 27th, 2007.

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IT Outsourcing Services Potential of the Balkan Region

- Global offshore IT services have continued to grow, and forecasts predict that the growth will continue through 2011.
- Current "hotspots" in Southeastern Europe are Bulgaria, Romania, Croatia, and Slovenia. For example, the IT services market in Croatia had an exceptional growth in 2006, surging by almost 40% year on year to nearly \$310 million
- Enabling factors:
 - Increased IT investment by the government, banks, and telecoms providers, EU and World Bank funding of IT services contracts, and a new wave of IT spending by domestic enterprises.
 - Highly skilled, multilingual resources at lower costs than their Western counterparts, along with economic growth, regulatory reforms, liberalization, and privatization.

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Serbian IT Outsourcing Capabilities

- IT Outsourcing services from Serbia are already available through a few Serbian and foreign companies. This business is likely to grow, although at a slow pace, fueled by foreign investments and supported by knowledge base transfer from Serbian IT professionals working in US and other Western countries.
- However, potential is far greater than the current offer based on:
 - Resources and skills available
 - Improving economic and political environment
 - Improving infrastructure

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"Selling points" to the US IT Outsourcing Market

- Well-educated and highly-skilled resources at a very competitive rate that are available in Serbian Lands.
- Higher English language skills comparing for example with other Eastern European countries.
- Closer time zone than other outsource provider countries.
- A better understanding of Western culture, with a closer cultural affinity.
- Diversification is a smart outsourcing strategy.

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Why a US-Serbian "IT Summit"?

- To bring the Serbian IT outsourcing service to the next level, enabling Serbia to become the *IT Leader* in the whole Balkan region.
- To establish Information Technology as a strategic industry sector of the Serbian economy.
- This initiative should help Serbia to catch up on the IT outsourcing business as this market is becoming saturated. For example, the total value of outsourcing deals signed in US in the first three months of the year was \$17.6bn, compared to \$25.4bn a year earlier - the lowest first quarter figure for five years!
- It is a high time for Serbian companies to establish a strategic business relationships with US companies in this industry sector.

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Why is this SUC initiative?

- Aligned with the *SUC Mission* to gather talents and experience to help economic prosperity in Serbian Lands.
- US expertise and connections of our people in Diaspora are crucial for this initiative. SUC can attract these valuable resources, and facilitate their joint work.
- SUC is a Serbian organization with the strongest and growing relationship with US Government officials through its Serbian Congressional Caucus.
- SUC has a proven record of organizing similar initiatives and projects.

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Main Objectives

- Establish business relationship with IT US companies, and provide incentives to US companies to establish and grow their business in Serbia.
- Organize "Technology Societies / Community Technology Centers" in Serbia and Republic of Serbia with support from US companies.
- Establish collaboration between US and Serbian academic institutions.

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Main Project Success Factors

- Commitment by SUC.
- Commitment by Ministry of Telecommunication and Information Society, and by Ministry of Diaspora.
- Serbian Government support at the highest level.
- Enhanced relationship with the relevant organizations, such as USAID.
- Successfully organized visit of the Serbian delegation to US, followed by visit of the US delegation to Serbia. This is the crucial project deliverable!

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Next Steps and Activities

During the "IT Panel" (10/27) Conference (Work Session Agenda)

1. Verify the goal, objectives, and commitments.
2. Confirm support from the Ministry of Telecommunication and Information Society, and Ministry of Diaspora.
3. Make the project "GO/NO GO" decision.
4. Discuss the project strategy, approach, responsibilities, deliverables, and the timeline.
5. Establish the "US-Serbia IT Oversight Committee"
6. Determine the next steps and action items

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Next Steps and Activities (cont.)

Future Activities

1. Provide resources and logistics to support the project
2. Conduct the screening of the Serbian IT company participants
3. Develop "IT incentives package" for US companies (e.g. certain tax waivers)
4. Solicit cooperation from the relevant Serbian academic institutions
5. Engage the relevant organizations, such as USAID, US Department of Commerce, Chamber of Commerce
6. Organize and conduct the US-Serbia "IT Summit". The Serbian delegation visit is planned for 2008, to be followed then by visit of US delegation to Serbia.
7. Other / TBD

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